have held that provisions for the payment of interest from date, if not paid at maturity, where no interest was required before maturity or for the payment of an increased rate of interest from date, if not paid at maturity, do not affect the negotiability of a note. *Hope* v. *Barker,* 43 Mo. App. 632 (affirmed in 112 Mo. 338); *Parker* v. *Plymell,* 23 Kan. 402; *Clark* v. *Skeen,* 61 Kan. 526; *Crump* v. *Berdan,* 97 Mich. 293. In *Smith* v. *Crane,* 33 Minn. 144, the provision was precisely similar to that in the instant case, calling for "interest at 10% per annum from date until paid, 7% if paid when due"; and the court held the provision to be the same in effect as if it had reserved the lower rate of interest, with a provision that if the indebtedness was not paid at maturity, interest should run at the higher rate, that the increase, being a penalty, would be invalid and the note would in law draw 7% per annum both before and after maturity, and was negotiable. This decision was not under the UNIFORM NEGOTIABLE INSTRUMENTS LAW, but under the common law. In *Hegeler* v. *Comstock,* 1 S. D. 138, a note providing for the payment of a certain sum "with interest from date until paid at the rate of 10% per annum, 8% if paid when due" was held to be non-negotiable because uncertain as to the rate of interest. This decision was under a code provision defining a negotiable instrument as a written promise for the payment of a certain sum of money, payable without any condition not certain of fulfillment. In *Randolph* v. *Hudson,* 12 Okl. 516, a note containing a promise to pay a certain sum of money "with interest at the rate of 12% from date if not paid at maturity" was held non-negotiable. In *Security Trust & Sav. Bank* v. *Gleichmann,* (Okl. S. C. 1915), 150 Pac. 908, a note, dated May 1, 1905, and providing: "with interest at 8% from Nov. 1, 1905, until paid, interest from date if not paid when due" was held to be negotiable. The court in the instant case expressly overrules *Security Trust & Sav. Bank* v. *Gleichmann, supra;* and upholds *Randolph* v. *Hudson, supra.* While the court in the instant case has undoubtedly arrived at a sound conclusion, it seems to have failed to notice a possible distinction between the principal case and some of the other cases apparently in conflict with it. The provision in the instant case calls for *payment* of interest *annually;* consequently, when such annual payment is made, the note is presumptively discharged *pro tanto,* but, should the note not be paid at maturity, the maker, having paid the lower rate, would owe the difference between that and the higher rate. Therefore, the sum to be paid is uncertain, and cannot be made certain until payment is actually made. In many of the other cases, the notes which provide for payment of a higher rate of interest from date, if not paid at maturity, do not require annual payment of the interest; and, hence, the amount to be paid is certain; either the face value of the note plus the lower rate of interest, or the face value of the note plus the higher rate of interest, depending on whether payment is made at maturity or after maturity.

BILLS AND NOTES — MATERIAL ALTERATION — ENDORSER'S LIABILITY.—Defendant endorsed a promissory note and returned it to the maker with a blank left for the payee's name. The maker inserted a name and later, failing to secure a loan from that party, added the words "or bearer" and dis-

counted it with the plaintiff. *Held,* Watts and Gage JJ. dissenting, that the maker had exhausted his implied authority after inserting one name; that the instrument thereby became complete by relation back to the time of delivery; and that the additional words were a material alteration under the Negotiable Instruments Law, rendering the endorser not liable. *First National Bank of Hartsville* v. *Wood,* (S. C., 1918), 95 S. E. 140.

According to the Negotiable Instruments Law, S. C. Law, 1914, p. 670, the holder has *prima facie* authority to complete an instrument wanting in any material particular, by filling up the blanks therein, but in order to enforce it, once completed, against any party thereto, prior to said completion, it must be filled up strictly in accordance with the authority given. Another section provides that a material alteration, without the assent of all parties liable thereon, avoids the instrument. The dissent in the principal case insists that so long as the maker retained the note he had this implied authority to fill it up sufficiently to negotiate it as both parties intended, and a lapse of time between the two insertions could not affect this authority. When a party puts his own name on a piece of paper to indicate that the instrument is to be a promissory note, or when he signs or endorses it in blank, not filled up, a subsequent payee or endorser may recover, and it is no defense that the deliveree exceeded his authority, *Johnston Harvester Co.* v. *McLean,* 57 Wis. 258. A maker is liable if he intended that his agent should negotiate the note, even if the agent went beyond his authority in filling the blanks. *Ray* v. *Willson,* 45 Can. S. C. 401. There is a distinction between altering a note once filled up, and filling it up if signed in blank. And an instrument is payable to bearer if the only or the last endorsement is in blank, N. I. L. § 9. The addition of the words "or bearer" is not an alteration when they were intended to have been inserted, See DANIEL ON NEGOTIABLE INSTRUMENTS, § 1395, quoting, *inter alios, Kershaw* v. *Cox,* 3 Esp. 246; *Weaver* v. *Bromley,* 65 Mich. 212. In the latter case the material alteration claimed was the insertion of the words "or bearer" and it was *held* that such a change was not a material alteration, and would not avoid the liability of the endorser. Where the effect of such an addition is to impart negotiability to an instrument not intended to be negotiable, the alteration is material and the bill or note avoided. *Haley* v. *Vandiver,* 8 Ga. App. 78, *Winter* v. *Pool,* 100 Ala. 503. In the instant case, however, the defendant's claim, that the alteration destroyed the negotiability of the note, admits that negotiability was originally intended by both parties. In that case the insertion of the payee's name without words of negotiability, could not exhaust the implied authority, since an instrument to be negotiable must be payable to order or bearer, N. I. L. § 1, 4. For this reason it is difficult to see how the doctrine of relation back to delivery, can apply, since the instrument would still fall short of its intended effect, until the second addition.

CARRIERS—FREIGHT RATES—OWNERSHIP NOT BASIS OF RATES.—A carload of broom corn was shipped from Elk City, Ok., to Wichita, Kansas, by S who was both consignor and consignee. On arrival at Wichita, by